

FEDERAL COMMUNICATIONS COMMISSION **BUCKET FILE COPY ORIGINAL**
Washington, D. C. 20554
FEB 11 1999

86-285

OFFICE OF
MANAGING DIRECTOR

Mr. L. Jay Mapstone
General Manager
Radio Station WLVA
Madison Broadcasting Group, Inc.
4119 Boonsboro Road, Ste. 220
Lynchburg, VA 24503

Re: Request for Deferral of Regulatory Fee

Dear Mr. Mapstone:

This is in response to your request for relief from the Fiscal Year 1998 regulatory fee for Radio Station WLVA-AM, Lynchburg, Virginia. You assert that the station has had to build a transmitter and that imposition of the fee would create a severe financial hardship.

In establishing its regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), reconsideration granted, 10 FCC Rcd 12759 (1995). The Commission further held that regulatees can establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

10 FCC Rcd at 12761-2762.

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

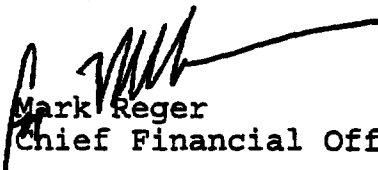
Mr. L. Jay Mapstone

2.

In the absence of specific documentation, you have failed to establish a compelling case of financial hardship. Therefore, your request for relief from the regulatory fees assessed Radio Station WLVA is dismissed. The FY 1998 regulatory fee of \$1,250 is now due, and that fee should be filed together a completed FCC Form 159 (copy enclosed) within 30 days from the date of this letter. However, in view of your allegations of financial hardship, in the alternative, you may file a request for a further deferment and waiver of the regulatory fee payment, together with appropriate supporting documentation establishing a basis for a waiver, within thirty days from the date of this letter.

If you have any question concerning the regulatory fees, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,


Mark Reger
Chief Financial Officer

Enclosure: FCC Form 159

000000 BCB-98-085

Jerry
DATE:

Wednesday, September 9, 1998

TO: Office of the Managing Director
Federal Communications Commission
1919 M Street NW Room 450
Washington DC 20554
Att: Regulatory Fee Deferral/Waiver Reduction Request

FR: Madison Broadcasting Group, Inc.
Owner and Licensee of WLVA-AM
4119 Boonsboro Road, Ste. 220
Lynchburg, VA 24503

RE: REQUEST FOR DEFERRMENT OF OF REGULATORY FEE
WLVA-AM \$1,250 MBDS

We are writing at this time to request a deferral without interest on the payment of the 1998 regulatory fee for WLVA-AM in the amount of \$1,250 due to the financial hardship experienced by both companies involved.

Madison Broadcasting Group, Inc. holds an LMA with JLR Communications, Inc. to operate WLVA and we have received no payments or share of profits this year due to the financial hardship they have experienced in operating the station. That has included a rebuilding of our transmitter in the last six months.

At this time we are negotiating an offer with two possible buyers for WLVA and will be able to pay the regulatory fee upon the conclusion of a sale. We anticipate that to occur prior to the end of the year.

When the station assets are sold Madison Broadcasting Group, Inc. has several creditors with judgements who will also have to be paid but at this time we cannot forward any fees to you in lieu of payments to them.

We appreciate your cooperation on this request for deferral without interest.

Submitted by:

L. Jay Mapstone
L. Jay Mapstone
General Manager WLVA-AM
Representative for
Madison Broadcasting Group, Inc.

Rec'd 9/14/98 A-B